

September 28, 2012

To: Executive Board

Subject: **2012 Legislative Summary**

Recommendation

Receive and file the September 2012 Legislative Summary. There are no recommended positions on bills this month.

Analysis

A summary of state and federal legislation and its status is attached. We received great news from Sacramento! Foothill Transit's sponsored bill, SB 1257, to exempt public transit agencies from being charged utility users' taxes (UUT) on electricity used to power its buses was signed by the Governor into law (Chapter 213). This is Foothill Transit's second sponsored bill to become law following AB 2009 also dealing with UUT relating to compressed natural gas (CNG) in 2008. The consumption of electricity as a fuel in the operation of our Ecoliner buses now cannot be charged a UUT by any local, city or county government. We thank State Senator Ed Hernandez for authoring this legislation and his very hardworking staff for leading the bill through the legislative process as well as Tim Egan, our state advocate in Sacramento for all his help in making the bill a success.

The State Legislature wrapped up its business for the year and session on August 31. AB 1706 (Mike Eng), the California Transit Association (CTA) bill dealing with state limitation on bus axle weight passed out of the Senate on a 38 to 0 vote and received concurrence from the Assembly by a 67 to 11 vote. The bill is now sitting on the Governor's desk where he will have until midnight, September 30 to take action.

On the federal front, in the absence of finalized appropriations bills for Fiscal Year (FY) 2013, the House of Representatives passed by a vote of 329-91 a resolution (H.J. Res. 117) that would continue federal government funding at roughly FY 2012 levels through the first six months of FY 2013, until March 27, 2013. The continuing resolution (CR) allows the transit and highway programmatic changes made under the Moving Ahead for Progress in the 21st Century (MAP-21) to be implemented, but does not provide for the increased inflationary funding that MAP-21 authorizes. The bill was surprisingly noncontroversial, with Members of Congress agreeing to the measure in an effort to keep the federal government from shutting down.

The Senate is expected to pass the CR soon, which would allow time for the President to sign the bill before the current fiscal year appropriations expire on September 30, 2012. However, citing a change made by the CR to the MAP-21 obligation limitation for

Executive Board Meeting – 9/28/12
2012 Legislative Summary
Page 2

the Federal-aid Highway Program, Senate Environment and Public Works Chairman Barbara Boxer has publicly criticized the CR for a failure to fully fund the higher, authorized highway spending levels.

Prior to the August Congressional recess, the Senate Finance Committee approved legislation containing a number of important tax provisions, generally referred to as “tax-extendors” legislation. Within this legislation were two items the transit industry has repeatedly asked to see included in any tax legislation: the restoration of parity between transit commuter benefits and the parking benefit, and the alternative fuels excise tax credit. The transit commuter benefit helps to offset rising commuting costs. Restoring it to the same level as the parking tax benefit brings equality to the tax system, but more importantly, it will ease transportation costs during the ongoing economic uncertainty. The alternative fuels tax credit assists transit providers in making the switch to alternative fuels and helps to offset the costs associated with moving our nation to energy independence.

In August, the tax extendors legislation was seen as a potential bill for consideration by the full Senate prior to the November elections. Senate Majority Leader Harry Reid, however, has not indicated that the bill will be considered by the Senate in September and the prevailing sentiment is that the legislation will not come up for a vote before the lame-duck session following the election. Additionally, there has been no movement in the House with comparable legislation.

Financial Impact

SB 1257 will provide tax savings for Foothill Transit on electricity used to power the Ecoliner beginning January 1, 2013.

Sincerely,



David Reyno
Director of Government Relations


Doran J. Barnes
Executive Director

2012 Legislation Summary

Current as of 9/19/2012

(Amendments and Bills with updated status or requesting action are indicated in **bold**)

| Bill No. | Author | Analysis | Potential Impacts | Location | Outside Agency Positions | Recommended Position |
|----------|-------------|---|--|--|-------------------------------------|---------------------------------------|
| AB 147 | Dickinson | Existing law under the Subdivision Map Act authorizes cities and counties to charge developer fees to defray the costs of infrastructure improvements to support development projects. Development impact fees levied under the Subdivision Map Act are charged as a condition of approval of a final map or building permit. Current law limits the use of these fees for the mitigation of traffic impacts to bridges and major thoroughfares. AB 147 would authorize a local agency to also use this fee for transit, bicycle, and pedestrian facilities. | This bill could mean more local money provided to Foothill Transit for facility construction. | Signed by the Governor & Chaptered by the Secretary of State - 9/6/2011 | CTA - Support | Support Position Adopted 3/25/2011 |
| AB 345 | Atkins | Would require the Department of Transportation (Caltrans) to ensure that any committee or formal group of the California Traffic Control Devices Committee (CTCDC) includes representation from all users of the road, including public transit, thereby improving the implementation of complete streets policies. | This bill will make certain that the interests of state public transit agencies including Foothill Transit are represented on the CTCDC. | Senate Inactive File | CTA - Support | Support Position Adopted 5/27/2011 |
| AB 485 | Ma | Would provide an optional financing mechanism to allow transit agencies greater incentives and opportunities to explore transit-oriented development (TOD) options with local governments. Furthermore, if a city or county wishes to pursue a TOD project with a local transit agency within an existing "transit village development district," they may pursue an agreement setting forth the conditions by which bonds could be issued to develop and make improvements to a specific transit station. | This bill would provide Foothill Transit greater opportunities to work with our member cities and the County to pursue transit oriented development partnerships. | Senate Inactive File | CTA - Support | Support Position Adopted 4/27/2011 |
| AB 650 | Blumenfield | This bill would establish the Blue Ribbon Task Force on Public Transportation for the 21st Century and would require the task force to be comprised of 12 specified members appointed by the Senate Committee on Rules and the Speaker of the Assembly by March 31, 2012. The bill would require the task force to prepare a written report that contains specified findings and recommendations relating to the current state of California's transit system, the estimated cost of creating the needed system over various terms, and potential sources of funding to sustain the transit system's needs, and to submit the report by March 31, 2013, to the Governor and other key legislative bodies. | We understand that members of the environmental community will have a role on the Task Force which brings an important voice for transit into the mix who has not been actively involved previously. | Vetoed by the Governor – 9/26/2011 | CTA – Support LA Metro - Support | Support Position Adopted 3/25/2011 |
| AB 1097 | Skinner | Would require the Secretary of the Business, Transportation and Housing Agency to authorize a state or local agency receiving federal funds for transit purposes to provide a bidding preference to a bidder if the bidder meets or exceeds Buy America requirements applicable to federally funded transit projects. | Existing federal guidelines preclude state transit agencies that receive federal funds from crediting American-made products and manufacturing at a greater than 60% level unless a state Buy American provision exists in statute that is more stringent than Federal Transit Administration (FTA) standards. The State of California currently has no such preference law. By authorizing transit agencies to assign more credit to bidders that use a higher percentage of domestic content | Signed by the Governor & Chaptered by the Secretary of State - 10/2/2011 | CTA – Support | Support Position Adopted 8/26/2011 |

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| | | | than federal guidelines require, this bill may assist in stimulating more manufacturing in this country to support transit needs and create jobs in the United States and California. | | | |
| AB 1446 | Feuer | Existing law authorized the Los Angeles County Metropolitan Transportation Authority (Metro) to adopt a ½-cent sales tax in Los Angeles County for 30 years, subject to a two-thirds approval of local voters. The sales tax, presented to the voters as Measure R, was approved in 2008. Metro is required to allocate 20% of the proceeds derived from the ½-cent sales tax for bus operations and 5% for rail operations. Revenue is dedicated to construction and operation of rail, highway and bus projects in Metro's Long Range Transportation Plan (LRTP), as well as local initiatives such as street and signal improvements, bicycle and pedestrian projects, and more. Existing law also authorizes Metro to incur bonded indebtedness payable from the proceeds of Measure R. This bill would authorize Metro to place on a ballot for Los Angeles County voter approval the permanent extension of the existing county-wide ½ cent sales and use tax. AB 1446 only pertains to Los Angeles County and will not change the project list detailed in existing law, and every area of the County will benefit. All Measure R rail, highway, bus and other projects will be accelerated at the same rate, without prioritizing any one category. | If passed by the voters, the new law would provide Foothill Transit the benefit of Measure R dollars permanently as well as provide key San Gabriel Valley transit projects such as the Foothill Gold Line Extension accelerated funding. | Passed the State Legislature and Awaiting Action by the Governor | CTA – Support, Metro – Support, California Chamber of Commerce - Support | Support Position Adopted 5/25/2012 |
| AB 1585 | Perez | Existing law dissolved redevelopment agencies (RDA's) and community development agencies as of February 1, 2012. This bill would amend the law so that an agreement that provided loans or other startup funds for the agency that was entered into within 2 years of the formation of the agency is valid and binds the successor agency. The bill would expand this exception to include an agreement involving a loan specific to a project area and other specified obligations. | This bill will allow Foothill Transit to move forward with negotiations on a much needed park and ride project in West Covina that had been suspended since the RDA law was passed. | Passed the State Legislature and Awaiting Action by the Governor | | Support Position Adopted 4/27/2012 |
| AB 1706 | Eng | Under existing state law, the maximum gross weight of a public transit bus on any one axle is prohibited from exceeding 24,500 pounds. However, that restriction was created in 1976, and, is only 500 pounds heavier than the restriction generally placed on any other type of vehicle operating on the city streets, county roads and state highways. This bill would exempt public transit buses from this weight limitation until January 1, 2016 and until that date, prohibit a public transit system from procuring a new transit bus whose gross weight exceeds the gross weight of the heaviest transit bus in the system's existing bus inventory, for that transit bus' fleet class as of December 31, 2012. The bill would require the Secretary of the Business, Transportation and Housing Agency to convene a task force for the purpose of preparing a report concerning the maximum axle weight limitations in federal and state statutes applicable to transit buses. The bill would specify the information, analyses, and recommendations to be included in the | The majority of Foothill Transit's fleet, along with those of most, if not all, transit agencies throughout the state exceeds this over quarter century old statute due to mandated clean air, safety, disability laws and advances in bus technology. This bill will protect us from being subject to citations and costly permits until a reasonable solution can be determined. | Passed the State Legislature and Awaiting Action by the Governor | CTA - Support | Support Position Adopted 4/27/2012 |

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| | | report and would require the report to be submitted by January 1, 2015, to the appropriate Senate and Assembly Committees of the Legislature that oversee transportation issues. | | | | |
| AB 2405 | Blumenfield | This bill would exempt a vehicle that meets California's enhanced AT PZEV (Advanced Technology Partial Zero Emission Vehicle) standard from toll charges imposed on single-occupant vehicles in lanes designated for tolls unless prohibited by federal law. | The proliferation of hybrid vehicles, or any additional exceptions for that matter, into carpool lanes defeats the purpose of providing considerable traffic flow and adds to the congestion that buses would encounter in such lanes. Foothill Transit has encountered added congestion that has impacted our on time performance on these high occupancy vehicle lanes due to the addition of these low emission vehicles. In addition, several jurisdictions are considering congestion pricing and exempting AT PZEVs may reduce revenue estimates for using high-occupancy toll lanes. The new Express Lanes Demonstration Project on the 10 Freeway beginning in 2013 is an example. | Passed the State Legislature and Awaiting Action by the Governor | CTA - Oppose | Oppose Position Adopted 4/27/2012 |
| ACA 23 | Perea | Would provide that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of 55% of its voters voting on the proposition. | Existing law under the California Constitution requires the approval of a 2/3rds majority of voters on any special taxes proposed. Reducing this threshold will improve the chances for badly needed local transportation projects to move forward. | Assembly Inactive File | CTA - Support | Support Position 3/23/2012 |
| SB 582 | Emmerson | Existing law requires transportation planning agencies to undertake various transportation planning activities, including preparation of a regional transportation plan and also requires transportation planning agencies that are designated under federal law as metropolitan planning organizations (MPO's) to include a sustainable communities strategy as part of the regional transportation plan for their region. SB 582, beginning on January 1, 2013, would authorize a metropolitan planning organization, in partnership with the local air quality management district, to adopt a commute benefit ordinance that requires covered employers operating within the common jurisdiction of the organization and district with 20 or more covered employees to offer those employees certain commute benefits. | Additional commuter benefits could mean more potential riders on Foothill Transit's system. | Vetoed by the Governor – 8/1/2011 | CTA – Support | Support Position Adopted 3/25/2011 |

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| SB 1257 | Hernandez | Foothill Transit's sponsored bill that exempts from any utility user's tax (UUT) imposed by any local agency the consumption of electricity by a local agency or public transit operator for transportation purposes and is dedicated to serve the local agency or public transit operator. | Will save Foothill Transit the annual cost in local taxes as well as other transit agencies potential UUT tax savings. | Signed by the Governor & Chaptered by the Secretary of State - 8/28/2012 | | Support Position Adopted 3/23/2012 |
| H.R. 1380 | Sullivan | The New Alternative Transportation to Give Americans Solutions Act of 2011 is designed to promote a switchover from petroleum-based fuels to natural gas for transportation. The bill would provide a variety of tax breaks to transit agencies, trucking companies, vehicle owners and vehicle manufacturers to transition from gasoline and diesel to natural gas and provide approximately \$5 billion in subsidies over a five year period. Transit agency tax breaks would include amending the Internal Revenue Code to allow an excise tax credit through 2016 for alternative fuels and fuel mixtures involving compressed or liquefied natural gas. | The extension of the alternative fuels excise tax credit until 2016 would provide Foothill Transit with an ongoing operating funding source for the next five years. | House Committee on Energy and Commerce | Clean Energy | Support |